

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LEADENHALL CAPITAL PARTNERS LLP
and LEADENHALL LIFE INSURANCE
LINKED INVESTMENTS FUND PLC,

Plaintiffs,

vs.

JOSH WANDER, STEVEN PASKO,
KENNETH KING, 777 PARTNERS LLC,
600 PARTNERS LLC, SPLCSS III LLC,
SIGNAL SML 4 LLC, INSURETY AGENCY
SERVICES LLC, DORCHESTER
RECEIVABLES II LLC, SUTTONPARK
CAPITAL LLC, SIGNAL MEDICAL
RECEIVABLES LLC, INSURETY CAPITAL
LLC, SUTTONPARK SERVICING LLC,
SIGNAL SERVICING LLC, INSURETY
SERVICING LLC, and ADVANTAGE
CAPITAL HOLDINGS LLC,

Defendants.

24 Civ. 3453 (JGK)

PROPOSED ORDER GRANTING
PRELIMINARY INJUNCTION

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TEMPORARY RESTRAINING
ORDER

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ORDERED, that

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Upon the Complaint by Plaintiffs Leadenhall Capital Partners LLP and Leadenhall Life Insurance Linked Investments Fund PLC (together, "Leadenhall" or "Plaintiffs") (ECF Doc. No. 1); the declarations of Craig Gillespie, Phil Kane, Luca Albertini, and Leigh M. Nathanson (ECF Doc. Nos. 58-60); the Plaintiffs' May 13, 2024 Memorandum of Law in Support of Plaintiffs' Application for a (i) Temporary Restraining Order, and (ii) a Receivership or, Alternatively, a Preliminary Injunction (ECF Doc. No. 57), which application was directed to Defendants 777 Partners LLC ("777 Partners") and 600 Partners LLC ("600 Partners", and together with 777 Partners the "Guarantors"), as well as to SPLCSS III LLC (the "SuttonPark Borrower"), Dorchester Receivables II LLC (the "Dorchester Borrower"), Signal SML 4 LLC (the "Signal

Borrower”), Insurety Agency Services LLC (the “Insurety Borrower,” and together with the other above-referenced borrower defendants, the “Borrowers”), and upon Intervenor National Founders LP’s May 24, 2024, Memorandum of Law in Opposition (ECF Doc. No. 81) along with the Declaration of Jason S. Williams (ECF Doc. No. 82), the Guarantors’ and Borrowers’ May 24, 2024, Memorandum of Law in Opposition along with the Declaration of John G. McCarthy and exhibits thereto, the Declaration of Ian Ratner and the exhibits thereto, the Declaration of James Howard and the exhibits thereto, the declaration of Mark Shapiro and the exhibits thereto and the declaration of Christopher O’Reilly (all filed under ECF Doc. No. 86), Defendants Advantage Capital Holdings LLC and Kenneth King’s May 30, 2024, Memorandum of Law in Opposition (ECF Doc. No. 89) along with the Declaration of Michael Saliba (ECF Doc. No. 87), Intervenor ING Capital LLC’s June 6, 2024, Memorandum of Law in Limited Opposition (ECF Doc. No. 111-1) along with the Declaration of Jonathan Banks and the exhibits thereto (ECF Doc. No. 111-2), and Plaintiffs’ May 30, 2024, Reply Memorandum of Law (ECF Doc. No. 99) along with the Declaration of Leigh Nathanson and the exhibits thereto (ECF Doc. No. 101), and all proceedings heretofore had herein, it is

ORDERED that the Borrowers and Guarantors shall be preliminarily enjoined, under Rule 65 of the Federal Rules of Civil Procedure, from, other than in the normal and ordinary course of business:

(A) selling, transferring, converting, pledging, or encumbering the assets pledged as Collateral by the Borrowers to Leadenhall under the Loan and Security Agreement dated May 7, 2021 (see ECF Doc. No. 58 at 8 n.1);

(B) to the extent the value of the assets pledged as Collateral by the Borrowers to Leadenhall is less than the full amount of the debt accelerated by Leadenhall as alleged in the Complaint

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Deleted: and Guarantors") show cause before this Court, at Room 14A United States Courthouse, 500 Pearl Street, New York County, New York, on the 21st

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9:00 a.m., why an Order shall not be entered:¶

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In

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(ECF Doc. No. 1) (the “Accelerated Debt”), expending or dissipating any cash or cash equivalents owned by the Borrowers and Guarantors sufficient to cover the full amount of the Accelerated Debt;

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(C) to the extent the value of (i) the assets pledged as Collateral by the Borrowers, plus (ii) the value of any cash or cash equivalents owned by the Borrowers and Guarantors is insufficient to cover the full amount of the Accelerated Debt, expending or dissipating any cash or cash equivalents received from any sale or transaction up to the full amount of the Accelerated Debt;

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(D) taking any action to dissipate the value of their assets, including by transferring assets to any other person or entity (including, without limitation, any Defendant); provided that Borrowers and/or Guarantors will not violate this Paragraph (D) by transferring assets of one or more Borrower or Guarantor for fair and equivalent value, where the Borrower and/or Guarantor receives equivalent value through receipt of assets of an equivalent value, reduction of the indebtedness of the transferring Borrower(s) and/or Guarantor(s) in an amount equivalent to the value of the assets transferred, or any combination of the two in which the value of the assets received and the amount of the indebtedness reduced is together equivalent to the value of the assets transferred, so long as:

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value of their assets, including by transferring assets to any Defendant;
→ requires the

- (i) Borrower(s) and/ Guarantor(s) make any such transfer in good faith;
- (ii) Borrower(s) and/or Guarantor(s) make the transfer for a legitimate business purpose and with the genuinely held belief of the Guarantors’ Independent Managers and/or the Chief Operating Officer (the “B. Riley Professionals”) that the transfer is in the best interests of the transferring Borrower(s) and/or Guarantor(s);
and
- (iii) the fair value of the assets transferred is determined (a) by at least one reputable

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and independent valuation professional; (b) through a fair and open sales process in which the assets are exposed to the relevant market for at least 30 days; or (c) otherwise fairly and reasonably determined by the transferring Borrower(s) and/or Guarantor(s); and it is further

ORDERED that Borrowers and Guarantors shall provide notice to Leadenhall, ING, and National Founders of (i) any attempt by any Defendant to foreclose on, repossess, or exercise remedial actions against the assets of the Borrowers and Guarantors; and (ii) any attempt to prevent any Defendant from foreclosing on, repossessing, or exercising remedial actions against the assets of the Borrowers or Guarantors; and it is further

ORDERED that the bond in the amount of \$1 million posted on behalf of the Plaintiffs on June 12, 2024 (ECF Doc. No. 119) shall remain posted pending further order of the Court.

Issued at New York, New York on July , 2024.

John G. Koeltl
United States District Judge

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FURTHER ORDERED the Plaintiffs shall post a

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This Order will be posted on

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